VZCZCXYZ0000 PP RUEHWEB

DE RUEHTV #2509/01 3171201 ZNR UUUUU ZZH P 121201Z NOV 08 FM AMEMBASSY TEL AVIV TO RUEHC/SECSTATE WASHDC PRIORITY 9102 RHEHAAA/WHITE HOUSE WASHDC PRIORITY RHEHNSC/WHITE HOUSE NSC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RUEAHQA/HQ USAF WASHINGTON DC PRIORITY RUEADWD/DA WASHDC PRIORITY RHMFIUU/CNO WASHINGTON DC PRIORITY RHEFDIA/DIA WASHINGTON DC PRIORITY RUEKJCS/JOINT STAFF WASHDC PRIORITY RUEHAD/AMEMBASSY ABU DHABI PRIORITY 4601 RUEHAS/AMEMBASSY ALGIERS PRIORITY 1208 RUEHAM/AMEMBASSY AMMAN PRIORITY 4988 RUEHAK/AMEMBASSY ANKARA PRIORITY 5403 RUEHLB/AMEMBASSY BEIRUT PRIORITY 4624 RUEHEG/AMEMBASSY CAIRO PRIORITY 3015 RUEHDM/AMEMBASSY DAMASCUS PRIORITY 5389 RUEHLO/AMEMBASSY LONDON PRIORITY 2239 RUEHFR/AMEMBASSY PARIS PRIORITY 0464 RUEHRB/AMEMBASSY RABAT PRIORITY 9199 RUEHRO/AMEMBASSY ROME PRIORITY 6688 RUEHRH/AMEMBASSY RIYADH PRIORITY 1622 RUEHTU/AMEMBASSY TUNIS PRIORITY 5701 RUCNDT/USMISSION USUN NEW YORK PRIORITY 7676 RUEHJI/AMCONSUL JEDDAH PRIORITY 0529 RUEHJM/AMCONSUL JERUSALEM PRIORITY 0774 RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 002509

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XOXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

SIPDIS

E.O. 12958: N/A TAGS: <u>OPRC KMDR IS</u>

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

The media published the results of the municipal elections: Secular candidate Nir Barkat was elected mayor of Jerusalem (52% to 43% for the ultra-Orthodox Meir Porush). Arkady Gaidamak garnered only 3.6% of the votes. Tel Aviv Mayor Ron Huldai won over his Hadash rival Dov Henin (51% to 34%). Yael Dayan retained a seat on Tel AvivQs

City Council (on HuldaiQs list). Kadima candidate Yona Yahav remains Mayor of Haifa. Outgoing Beersheva mayor Yaacov Turner lost to his former deputy Rubik Danilowitz.

The Jerusalem Post reported that yesterday PM Olmert struggled behind close doors to assert his authority after his diplomatic platform was rejected by both FM Tzipi Livni and PA President Mahmoud Abbas. HaQaretz reported that yesterday associates of PM Ehud Olmert attacked Livni for her agreement to make concessions on Jerusalem. Livni had criticized Olmert over his conciliatory remarks at the commemoration ceremony for Yitzhak Rabin in Jerusalem on Sunday. Yediot reported that Olmert associates accused Livni of playing a double game with Syria. Maariv reported that Olmert associates dispute the fact that Livni initiated the Annapolis conference.

Leading media reported that yesterday, during a visit to an army base, PM Olmert said that renewed conflict with Hamas is a matter of Qwhen, not if.Q The Jerusalem Post reported that President-elect Barack ObamaQs office flatly denied a Hamas officialQs claim yesterday that advisers to Obama met with representatives from the terrorist organization while on a visit to the region.

Yesterday The Jerusalem Post reported that, during a telephone conversation she held on Monday with Vice President-elect Joe Biden. FM Livni urged the U.S. to stand firm against IranQs nuclear program and extremists in the region.

Yesterday The Jerusalem Post reported that Olmert decided on Monday that a QminimalQ amount of fuel will be allowed to enter Gaza on Tuesday. The Defense Ministry was quoted as saying that the decision was in response to Quartet envoy Tony Blair.

Arab League Secretary-General Amr Moussa was quoted as saying in an interview conducted over the weekend with HaQaretz that after an Israeli withdrawal from the Palestinian territories within the framework of an overall peace agreement, foreign forces could be stationed there for a specific period.

Major media reported that Labor Party Knesset members Ami Ayalon and Ophir Paz-Pines have held talks with Meretz and are apparently thinking about running for Knesset with Meretz in FebruaryQs national elections.

The Jerusalem Post cited Likud leader Benjamin NetanyahuQs concern over the possibility that far-Right activist Moshe Feiglin could win a realistic seat on the partyQs Knesset candidates list.

Leading media reported that yesterday Bank of Israel Governor Stanley Fischer announced an unscheduled rate cut to the lowest level in Israeli history. With almost immediate effect -- specifically, from Friday, November 14 -- the central bank overnight lending rate will drop by half a percent to 3%.

Yediot reported that about a week ago Olmert decided to allow the immigration to Israel of 150 to 200 Bnei Menashe from India, Qdescendants of one of the Ten Tribes of Israel.

HaQaretz reported that security sources told the newspaper in recent days that Israeli businesswoman Yardena Ovadia is operating as a mediator in arms sales to Equatorial Guinea for sums of up to \$100 million.

Mideast:

Summary:

Chief Economic Editor Sever Plotker wrote in an editorial in the mass-circulation, pluralist Yediot Aharonot: QObama will be a distinctly pro-Israel president. This is evidenced by his sweeping Zionist speech at the AIPAC conference.

The conservative, independent Jerusalem Post editorialized: QInstead of lecturing Israelis, [Olmert] could more constructively spend the remainder of his administration demanding that the Palestinians meet Israel half-way and enable his successor to proceed toward an

agreement that would give Palestinians independence and Israel abiding security.

Diplomatic correspondent Aluf Benn wrote in the independent, left-leaning Ha'aretz: QNetanyahu believes that his knowledge of America and his understanding of Obama's political needs will enable him to win over Obama. But first Netanyahu will have to convince the Israeli public that his proposals are genuine.

Former Meretz leader Dr. Yossi Beilin wrote in the independent Israel Hayom: QIf the prime minister's post was held by a man who adopted the political solution that the peace camp has believed in for many years, if that prime minister had close to 70 supporters in the Knesset, why didn't he act on the opportunity at hand?

Block Quotes:

¶I. "Not Exactly What You Thought"

Chief Economic Editor Sever Plotker wrote in an editorial in the mass-circulation, pluralist Yediot Aharonot (11/12): QThe joy over Obama's election in certain circles in Israel completely ignores his socio-economic views and focuses on his skin, on his slogans (QchangeQ), and on the presumed foreign policy he is expected to adopt, which will be Qcompletely differentQ from that of Bush. Obama-ists in Israel paint an image of Obama based on their own views: as an economic conservative, a foreign policy dove. And what if Obama, as president, is the opposite?... In regard to the Israeli-Arab conflict, Obama will be a distinctly pro-Israel president. This is evidenced by his sweeping Zionist speech at the AIPAC conference. Even Bush never made such resounding statements that concurred with the Zionist idea. And just wait until Obama the president appoints as his secretary of the treasury Prof. Larry Summers, another avowed Zionist.

II. "Olmert as Oracle"

The conservative, independent Jerusalem Post editorialized (11/12): QEhud Olmert spoke so earnestly in favor of an Israeli withdrawal Qwith minor correctionsQ to the 1949 armistice lines, at the state memorial ceremony for Yitzhak Rabin on Monday, that the audience could be forgiven for forgetting that he was elected to implement a significant West Bank pullback -- and failed.... Yet, bizarrely, Olmert spoke as if he was the leader of the opposition, not the sitting prime minister.... He would lash out against settler extremists, as if he wasn't the ultimate law enforcement authority in the land?.... Yet the most egregious aspect of Olmert's speech was how he managed to inoculate the Palestinians from their peacemaking responsibilities. On Tuesday, the fourth anniversary of Yasser Arafat's death, PLO chairman and PA president Abbas urged the Palestinian polity to QcherishQ the path of the QshahidsQ --Arafat, Abu Jihad (Khalil al-Wazir), George Habash, and Hamas founder Ahmed Yassin. Abbas then urged Palestinians to pursue Arafat's Opeace of the braveO -- whatever that means post-second Intifada. In his final weeks, as a caretaker prime minister, it is too late now for Olmert to do much more than talk. But instead of lecturing Israelis, he could more constructively spend the remainder of his administration demanding that the Palestinians meet Israel half-way and enable his successor to proceed toward an agreement that would give Palestinians independence and Israel abiding security.

III. "Give Him a Chance, Netanyahu Will Say"

Diplomatic correspondent Aluf Benn wrote in the independent, left-leaning Ha'aretz (11/12): QIf Benjamin Netanyahu is elected prime minister, he will try to convince Barack Obama that the time has come to change direction in the Middle East. Netanyahu will play to Obama's psychology, to his self-image as a winner: His two immediate predecessors attempted to solve the Israeli-Palestinian conflict and ended their presidencies as losers.... Give my ideas a chance, Netanyahu will tell Obama, and maybe you'll be a winner.... Netanyahu is aware of the expectations that his relationship with Obama will be poor and friction-prone, like his relations with Clinton a decade ago. He believes that circumstances have changed, and that there was chemistry between him and Obama at their two meetings. That won't be enough. Netanyahu will have a problem with

the settlers, especially if the settlers' violence toward the Palestinians escalates, leading to harsh international criticism of Israel. Or in the event the Obama administration insists on evacuating West Bank outposts, and the Netanyahu government is dependent upon the support of the right... Netanyahu believes that his knowledge of America and his understanding of Obama's political needs will enable him to win over Obama. But first Netanyahu will have to convince the Israeli public that his proposals are genuine, and not merely an attempt to wrap his rigid rejection of territorial withdrawals and the evacuation of settlements in pretty but meaningless talk.

IV. "Talks Like Me -Q and Annoys Me"

Former Meretz leader Dr. Yossi Beilin wrote in the independent Israel Hayom (11/11): OThe statements made by Prime Minister Ehud Olmert during the Knesset session in honor of the 13th anniversary of the Rabin assassination about the error of the intention to control all of the Land of Israel are not new -- but the venue at which they were made and the prominence that they received confer a special importance to the statements. From now on, no one will be able to ignore this. I am not dismissive of Olmert's speeches: They had an educational aspect to them, and it seems to me that that is liable to be his principal legacy. By so doing he is following in the footsteps of premiers who came from Likud ranks before him.... But it is precisely the fact that Olmert speaks as I do, but instead of promoting the peace process and instead of reaching agreements with Abu Mazen, launched a failed war in Lebanon and had [Avigdor] Lieberman join his government, that is particularly annoying to me. If the prime minister's post was held by a man who adopted the political solution that the peace camp has believed in for many years, if that prime minister had close to 70 supporters in the Knesset, why didn't he act on the opportunity at hand? What did Israel gain from the warm relations between him and Abu Mazen? Only the taste of another missed opportunity.

CUNNINGHAM